GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:4137
ANSWERED ON:09.12.2016
Norms Flouted by Multinational Accounting Firms
Lakhanpal Shri Raghav

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government has taken note that some multinational accounting firms operating in the country have flouted norms to provide services;

(b) if so, the details thereof; and

(c) the details of action taken by the Government against multinational accounting firms?

Answer

THE MINISTER OF STATE
IN THE MINISTRY OF CORPORATE AFFAIRS
(SHRI ARJUN RAM MEGHWAL)

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(a) & (b): Section 139 of the Companies Act, 2013 prescribes statutory audit by an individual Chartered Accountant or a firm of Chartered Accountants. The term 'Chartered Accountant' has also been defined under section 2(17) of the Companies Act, 2013 as a Chartered Accountant as defined in section 2(1)(b) of the Chartered Accountants Act, 1949 (38 of 1949) who holds a valid certificate of practice under section 6(1) of that Act.

Multinational Accounting Firms (MAFs) cannot perform such statutory function of audit as prescribed under the Companies Act, 2013. No instance has come to the notice of the Ministry where statutory audit has been conducted by MAFs in India by flouting the relevant Section of the Act.

(c): Not applicable in view of reply to (a) & (b) above.

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